

WASHINGTON STATE LIQUOR CONTROL BOARD
1995 REQUEST LEGISLATION - Bill Classification: Category B
Z-0196.1/95: PRICE POSTINGS - RCW 66.28.180

OVERALL PURPOSE AND INTENT OF LEGISLATION:

RCW 66.28.180 requires price postings by wholesalers and manufacturers of malt liquor, beer and wine. The current process is very heavily oriented to paper and is labor intensive. A computerized system has been developed. The system began about a year ago and currently has about 15 percent of the possible licensees (approx. 30 out of 200) involved at this point. About \$ 44,000 in salaries has been expended thus far in development costs, plus substantial support for new users including free software.

The primary objective of price postings, which began many years ago, is to preclude the sale of products at unfair prices, most easily achieved when one sells for below cost. The Board reviews price postings when there is a complaint filed against either a manufacturer or wholesaler. Under the proposed change, postings could still be reviewed by the Board by field agents comparing posted prices with those that are claimed to be in use.

The prices posted with the Board are collected and distributed by at least one private organization to all of the wholesalers/distributors on a monthly basis. Under the proposal, this same opportunity would exist because the posted prices would have to be made available to anyone who asked to see the documents. Compilation of a monthly summation would still be possible.

Retaining records in the respective licensees' places of business will still ensure that such information is available, but yet in a more reasonable and cost efficient manner.

MAJOR PROVISIONS OF PROPOSAL:

1. Eliminates monthly posting approval by the Board.
2. Requires individual manufacturers, wholesalers and importers to maintain notorized postings at their respective businesses
3. Requires such postings be open for inspection.
4. Prohibits changes to postings other than for specific distress purposes.
5. Prohibits any quantity discounts to be offered.
6. Requires one set of postings be provided to the Board for filing and review by anyone interested.

GOVERNMENT AGENCIES IMPACTED BY PROPOSAL:

None other than WSLCB.

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DEFENDANT'S EXHIBIT	
CASE NO.	C04 0360P
EXHIBIT NO.	519

STAKEHOLDERS AND THEIR POSITIONS:

PROPONENTS:

WSLCB

Some wholesalers as individual licensees

Some manufacturers as individual licensees.

OPPONENTS:

Beer and Wine Wholesalers Association (Phil Wayt - 352-5252)

Some retailers

Some manufacturers as individual licensees

SPECIAL NOTE:

As a result of the budgetary reduction mandated in 1993, the price postings program was identified as one program which could be eliminated. In order to eliminate the function, the statute requiring the Board to perform the duties (RCW 66.28.180) had to be amended during the 1994 session. A bill was prepared pursuant to instructions from OFM. When circulated, no legislators on the Senate Labor and Commerce Committee would sign as sponsors. In the House Commerce and Labor Committee, Chairman Heavey sponsored the bill, but it did not receive a hearing. There was considerable opposition from the wholesalers association. An organized effort to prevent a hearing in either chamber will result from introduction of the legislation unless some form of agreement can be worked out with the Beer and Wine Wholesalers.

FISCAL IMPACT:

By eliminating the need to have price postings filed with the Board on a monthly basis, the Board would be able to avoid at least 2.0 FTE's representing approximately \$ 64,000 for that activity. These FTE's would likely be reassigned within the Licensing Services Section where they would perform functions directly associated with processing applications for liquor licenses. Because of the transfer to the license technician section, there would be no fiscal impact, but an important public service could be staffed more effectively.

AGENCY PERSONNEL TO BE CONTACTED:

Policy Questions: M. Carter Mitchell, Public Information Officer/Legislative
Liaison, 753-6276

Legal Counsel: Kim O'Neal, Assistant Attorney General, 586-7843

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